

**Remarks**

**Status of the Application**

Claims 100-104, 107, 108 and 111-133 are pending in the application.

Claims 100, 103, 104, 119, 124, and 129 are independent claims.

Pursuant to the Office Action mailed November 16, 2004, the active claims stand rejected under 35 U.S.C. 103(a) as allegedly unpatentable over Minton (U.S. PG Pub No. 2002/0091611), in view of Rickard et al. (U.S. Patent No. 6,112,189).

In the Office Action, the Examiner notes that Minton teaches a method for facilitating the bartering of publicly traded securities but that Minton fails to teach an inventive concept wherein the second security is different from the first security and the purchase is concurrent with the sale of the first security. The Examiner then states that Rikard et al. teaches the inventive concept wherein the second security is different from the first security and the purchase is concurrent with the sale of the first security. The Examiner concludes that it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the inventive concept of Minton to include Rikard et al.'s inventive concept. For the reasons set out below, Applicant respectfully traverses this rejection.

**Summary of the Invention**

Each of the currently active independent claims recites i) barter orders comprising first and second securities in which the second security is different from the first security, ii) a barter, including multiple barter orders, in which the purchase of the

second security is concurrent with the sale of the first security, and iii) determining from the plurality of barter orders a plurality of selected barter orders (claims 100, 103, 104) or at least two additional barter orders (claims 119, 124, 129) which, if executed, will consummate a first barter order and the plurality of/at least two barter orders; and iv) receiving a request to execute the barter order (claims 100, 103, 104), or initiating a barter including the first barter order and the at least two additional barter orders (claims 119, 124, 129).

Applicant thus claims methods and systems wherein multiple barter orders are executed to consummate a barter transaction.

### **The Cited References**

Minton discloses an online system and method for securities trading. The system of Minton includes typical stock trading functionality, such as buying, selling, and making markets (see paragraphs 0053-0058). As noted by the Examiner in the subject Office Action, Minton fails to teach an inventive concept wherein the second security is different from the first security and the purchase is concurrent with the sale of the first security. That is, Minton fails to show or suggest the claimed barter order methods and systems of the present invention.

Rickard et al. shows a trading system that uses a mutual satisfaction indicator to facilitate negotiations between parties. In the subject Office Action, the Examiner indicates that Rickard et al. teaches the inventive concept wherein the second security is different from the first security in the purchase and is concurrent with the sale

of the first security. The Examiner concludes that it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the inventive concept of Minton to include Rikard et al.'s inventive concept, whereby to obviate Applicant's claimed invention.

### **Applicant's Arguments**

Applicant respectfully traverses the Examiner's analysis and conclusion. Minton is characterized by the Examiner as failing to show Applicant's claimed barter orders. In fact, Rickard et al. shows only conventional multiple-security trades, such as pair trades (see Col 1, lines 44-49), buy-write trades (see Col. 1, lines 50-54) and basket trades (see Col. 1, lines 55-60):

“One particularly good example of this is securities trading, and in particular linked trading of securities. Many trading strategies in current markets involve simultaneous purchases and/or sales of multiple securities, where the combined transaction must satisfy a prescribed price objective. Simple examples of multiple securities trading include: 1) **pairs trading**, in which a party is interested in buying one security that is perceived to be undervalued using the proceeds from a simultaneous short sell of a correlated security that is perceived to be overvalued, in expectation that both securities will revert to their nominal values, allowing both positions to be closed out at a profit; and 2) **buy-write trades** that involve the simultaneous purchase of a stock and sale of a call option on the stock, wherein the call premium received partially hedges the risk of a decline in the value of the stock, at the cost of capping the potential profit of an upside move.

More complex examples of linked trades include extensions of pairs trading to more than two securities. One type of multiple securities trading is known as **"basket trading"**, an example of which is index trading, wherein the objective is to buy or sell a defined set of securities (the basket) in a single transaction.

Another example is combined equity-currency trades, in which one is purchasing foreign equity in the native currency and simultaneously effecting the required currency exchange trade. Yet another example are "swaps," wherein one income and/or payment stream is swapped for another. More general extensions can be envisioned, involving an arbitrarily complex set of linked trades across multiple securities types."  
**(Emphasis added.)**

While all of these transactions may include the simultaneous buy and/or sale of multiple securities, these purchases and sales are made in a conventional manner with buyers and sellers of individual securities – not against other barter orders of the type taught and claimed by Applicant. Thus, Rickard et al. does not show or suggest barter orders or a barter transaction of the type taught and claimed by Applicant. Because Rickard et al. does not show or suggest Applicant's claimed barter orders or barter transaction, neither does the reference show or suggest the determination of a plurality of barter orders executable to consummate the barter, nor the actual initiation or execution of the identified barters.

In summary, neither of the cited references shows or suggests barter orders, or barter transactions including barter orders, of the type taught and claimed by Applicant. Minton shows only a system for facilitating conventional types of trades. Rickard et al. shows only conventional multiple-security trades. The references fail to show, separately or in combination, Applicant's claimed bartering methods and systems wherein multiple barter orders are executed in a barter transaction.

For these reasons Applicant respectfully submits the invention to be patentable over the cited art. Applicant requests a timely allowance of the active claims.

If the Commissioner determines that an additional fee is due or an extension of time is necessary, Applicant hereby petitions for such an extension and authorizes the Commissioner to charge any required fee, or credit any overage, to deposit account 13-4500, Order No. 4159-4003US1. A duplicate of this sheet is included.

Respectfully submitted,

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